

2nd Sub. S.B. 242
TAX REVISIONS

Representative **Sheryl L. Allen** proposes the following amendments:

1. *Page 2, Lines 26 through 29:*

- 26 ▶ provides income tax credits for:
- 27 • certain charitable contributions;
- 28 • homeowners; ~~{-and-}~~
- 29 • claimants on the basis of filing status; and
- investments in the Utah Educational Savings Plan Trust on behalf of a beneficiary;

2. *Page 4, Line 109:*

109 59-10-1006, Utah Code Annotated 1953 =
59-10-1007.1, Utah Code Annotated 1953

3. *Page 17, Lines 499 through 504:*

499 {+} (2) (a) (i) ~~{Beneficiaries}~~ A beneficiary designated in an account
 ~~{agreements must}~~ agreement shall be designated after
500 birth and before age 19 for the ~~{participant to subtract allowable investments from federal~~
501 ~~taxable income under Subsection 59-10-114(2)(j)}~~ account owner to claim a tax credit in accordance
with Section 59-10-1007.1 . {+}

502 {+} (ii) {+} ~~{(2)(a)}~~ If [the] a beneficiary is designated after birth and before age 19, the
503 payment of benefits provided under the account agreement [must] shall begin [not] no later
504 than the beneficiary's 27th birthday.

4. *Page 81, Lines 2499 through 2500:*

2499 [~~(13)~~] (11) The commission may, in consultation with the Utah Housing Corporation,
2500 promulgate rules to implement this section.

= Section 46. Section 59-10-1007.1 is enacted to read:
=
59-10-1007.1. Nonrefundable tax credit for investment in Utah Educational Savings Plan Trust on
behalf of a beneficiary.

(1) As used in this section:

(a) "Account agreement" is as defined in Section 53B-8a-102.

(b) "Account owner" is as defined in Section 53B-8a-102.

(c) "Beneficiary" is as defined in Section 53B-8a-102.

(d) "Trust" means the Utah Educational Savings Plan Trust created by Section 53B-8a-103.

(2) For taxable years beginning on or after January 1, 2007, a claimant that is an account owner may claim a nonrefundable tax credit as provided in this section for amounts invested:

(a) in the trust if those amounts are received by the trust during the taxable year;

(b) on behalf of a beneficiary who:

(i) was designated in an account agreement in accordance with Subsection 53B-8a-106(2)(a)(i); and

(ii) has been issued a:

(A) Social Security number; or

(B) taxpayer identification number; and

(c) in accordance with an account agreement.

(3) For each beneficiary described in Subsection (2)(b) on behalf of whom a claimant that is an account owner invests an amount in the trust in accordance with an account agreement, the amount of the credit allowed by Subsection (2) is:

(a) for a claimant described in Subsection (4)(a), equal to the product of:

(i) subject to Subsection (6), the first \$1,000 in amounts invested:

(A) in the trust if those amounts are received by the trust during the taxable year;

(B) on behalf of the beneficiary described in Subsection (2)(b); and

(C) in accordance with an account agreement; and

(ii) 10%; or

(b) for a claimant described in Subsection (4)(b), equal to the product of:

(i) subject to Subsection (6), the first \$2,000 of amounts invested:

(A) in the trust if those amounts are received by the trust during the taxable year;

(B) on behalf of the beneficiary described in Subsection (2)(b); and

(C) in accordance with an account agreement; and

(ii) 10% .

(4) (a) Subsection (3)(a) applies to a claimant that:

(i) is an account owner;

(ii) is a:

(A) single individual; or

(B) married individual who does not file a single return jointly with that individual's spouse; and

(iii) files a single return.

(b) Subsection (3)(b) applies to a claimant that:

(i) is an account owner; and

(ii) is a:

(A) husband and wife who file a single return jointly;

(B) surviving spouse;

(I) as defined in Section 2(a), Internal Revenue Code; and

(II) files a single return; or

(C) head of household;

(I) as defined in Section 2(b), Internal Revenue Code; and

(II) files a single return.

(5) A claimant may not carry forward or carry back a tax credit under this section.

(6) (a) For taxable years beginning on or after January 1, 2008, the commission shall increase or decrease the dollar amounts described in Subsections (3)(a)(i) and (3)(b)(i) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2006.

(b) For purposes of Subsection (6)(a), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

(c) After the commission increases or decreases the dollar amounts described in Subsections (3)(a)(i) and (3)(b)(i) as required by Subsection (6)(a), the commission shall round those increased or decreased dollar amounts to the nearest whole dollar.

Renumber remaining sections accordingly.